

**YAMARNA GOLDFIELDS LIMITED
& its controlled entity
ABN 84 006 189 331**

**APPENDIX 4D
HALF YEAR FINANCIAL REPORT**

**for the half year ended
31 December 2003**

Half-year information given to ASX under listing rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities	up	339.31%	to	\$1,893,250		
Profit (loss) from ordinary activities after tax attributable to members	up		to	\$433,201		
Net profit (loss) for the period attributable to members	up		to	\$433,201		
Dividends (distributions)						
		Amount per security		Franked amount per security		
Final dividend		n/a		n/a		
Previous corresponding period		n/a		n/a		
[†] Record date for determining entitlements to the dividend, (in the case of a trust, distribution) <table border="1" style="float: right; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: center;">n/a</td> </tr> </table>						n/a
	n/a					
Explanation of the above information:						
n/a						

YAMARNA GOLDFIELDS LIMITED

DIRECTORS REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2003.

Directors

The names of directors who held office during or since the end of the half-year:

Bryan Frost	Executive Chairman	(Since 1991)
Richard Revelins	Executive Director	(Since 1991)
James Babbage	Non-Executive Director	(Since 1991)

Review of Operations

Highlights:

Subsequent to the end of the period the company announced a Placement and a subsequent 1 for 3 non-renounceable entitlement issue to raise up to \$2.23m

De Grey Mining Ltd (ASX Code: DEG) announces significant findings at its 100% owned Indee Gold project and raises \$5.22m in placement

Cangold Limited (TSX-V Code: CLD) announces positive results from Thorn property as well as at the Argosy Joint Venture

Prima Biomed Ltd (ASX Code: PRR) continues to achieve milestones and predicts short term commercial outcomes

The Company announced in the beginning of February 2004, that it will raise up to \$2.23m in a Private Placement of 68,800,000 shares at 1.2 cents per share, and subsequent 1 for 3 non-renounceable entitlement issue to all shareholders at 0.8 cents per share, within the next number of weeks. Funds raised from the above issues will be applied towards working capital purposes and towards further strategic investments predominately within the mining sector.

During the period in review, De Grey Mining Ltd announced significant findings at its 100% owned Indee Gold project. The known mineralised strike at present is at least 520 metres – currently open at both ends and at depth. One hole drilled beneath the discovery zone has established mineralisation to a vertical depth of 100 metres.

As a result of the significant findings, there has been an increase in De Grey's share price. To illustrate this, in November of 2003 the company successfully raised \$1.6m at \$0.13 per share in a Private Placement, and in February 2004, the Company announced another Placement to raise an additional \$5.22m at \$0.56 per share. Funds raised will be predominately directed towards intensive resource drilling at the company's Wingina One project on De Grey's highly prospective Turner River Gold Belt.

Cangold Limited also had a successful period, with positive results from both the Thorn property as well as at the Argosy Joint Venture. The drilling program at the Thorn consisted of eight holes, intersecting significant mineralized zones in five of them. As a result, further exploration of the area is expected. Winter diamond drilling has commenced at the Argosy Mine, following the new gold zone being identified in November of 2003.

During November 2003 4448 metres (139 holes) of RAB aircore drilling was completed at the Yamarna Joint Venture Project. These results were subsequently released to ASX. Of the anomalous zones that warrant immediate follow-up with RC drilling two are located along the Khan zone and have relatively shallow transported cover. The first zone is centred along 23600N and returned several anomalous values up to 608 ppb Au over a strike length of 2 kilometres. The zone is open to the north but rock cover thickens in that direction. The second zone is centred on 36200N which is just offset to the east of the Kahn trend.

YAMARNA GOLDFIELDS LIMITED DIRECTORS REPORT (Continued)

Discussions are continuing with Asarco Exploration regarding the commencement of mining activities for the Joint Venture. No substantial changes have affected these negotiations over the period. At present Asarco is the operator of the project and retains an 80% interest. Yamarna holds 20% and is free carried to a decision to mine stage as well as holding a net smelter royalty interest over the sections of the Attila zone.

Results of Operations

The net profit of the economic entity was \$433,201 during the half year ended 31 December 2003 (2002 net loss: \$667,540)

<u>NTA</u>	31 December 2003	30 June 2003
Net Assets	\$5,277,955	4,716,753
Intangible Assets	-	-
Number of Shares on Issue	458,897,099	458,897,099
Net Tangible Asset Backing (cents)	1.15	1.03

Directors Options

During the half year ended 31 December 2003, no directors received options as part of their remuneration package.

This report is signed in accordance with a resolution of the Board of Directors.



**Director
Bryan Frost**

Dated this 15th day of March 2004

YAMARNA GOLDFIELDS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	ECONOMIC ENTITY	
	31 December 2003 \$	31 December 2002 \$
REVENUES FROM ORDINARY ACTIVITIES	1,893,250	329,219
Directors and Consultants Fees	(169,350)	(151,034)
Tenement Expenses	(16,763)	(17,383)
Professional Fees	(188,496)	(100,233)
Share Registry, Printing and Postage	(17,707)	(32,015)
Travel	(1,902)	(22,981)
Cost of Shares Sold	(1,223,550)	(631,618)
Other expenses from Ordinary Activities	(48,342)	(3,242)
Depreciation and Amortisation	(2,704)	(6,104)
Auditor Fees	(8,090)	(17,909)
Share of Net Loss of Associate Using the Equity Method	-	87,990
Movement in Provision for Diminution	216,855	1,030
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	433,201	(740,260)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	-	-
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE	433,201	(740,260)
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	433,201	(740,260)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	433,201	(740,260)
BASIC EARNINGS PER SHARE (cents per share)	0.09	(0.208)
DILUTED EARNINGS PER SHARE (cents per share)	0.09	(0.208)

The accompanying notes form part of these financial statements.

YAMARNA GOLDFIELDS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	ECONOMIC ENTITY	
	31 December 2003 \$	30 June 2003 \$
CURRENT ASSETS		
Cash assets	52,957	93,804
Receivables	103,781	102,597
Other financial assets	3,173,968	2,331,301
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TOTAL CURRENT ASSETS	3,330,706	2,527,702
	<hr/>	<hr/>
NON-CURRENT ASSETS		
Receivables	416	416
Investments accounted for using the equity method	-	404,187
Plant and Equipment	5,140	7,845
Exploration and evaluation costs	1,941,693	1,941,693
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TOTAL NON-CURRENT ASSETS	1,947,249	2,354,141
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TOTAL ASSETS	5,277,955	4,881,843
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CURRENT LIABILITIES		
Payables	128,001	165,090
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	128,001	165,090
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TOTAL LIABILITIES	128,001	165,090
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NET ASSETS	5,149,954	4,716,753
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EQUITY		
Contributed equity	18,057,843	18,057,843
Accumulated losses	(12,907,889)	(13,341,090)
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TOTAL EQUITY	5,149,954	4,716,753
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The accompanying notes form part of these financial statements.

**YAMARNA GOLDFIELDS LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003**

	ECONOMIC ENTITY	
	31 December 2003 \$	31 December 2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(660,144)	(316,971)
Interest received	915	455
Investment consulting	68,256	-
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NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	(590,973)	(316,516)
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CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchases of equity investments	(1,411,356)	(156,556)
Proceeds from sale of equity investments	1,961,482	329,219
Loan to other entities	-	(8,733)
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NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	550,126	163,930
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CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	60,500
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NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	-	60,500
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NET INCREASE/(DECREASE) IN CASH HELD	(40,847)	(92,086)
Opening Cash Balance	93,804	104,677
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Closing Cash Balance	52,957	12,591
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The accompanying notes form part of these financial statements.

YAMARNA GOLDFIELDS LIMITED
NOTES TO AND FORMING PART OF THE HALF YEAR
FINANCIAL REPORT ENDED 31 DECEMBER 2003

1. Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by Yamarna Goldfields Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2003 annual report.

The half-year report does not include full disclosures of the type normally included in the annual financial report.

2. Exploration and evaluation expenditure

Consolidated exploration and evaluation expenditure carried forward, \$1,941,693 (2002: \$1,941,693), relates to areas of interest in exploration properties farmed out by the entity whereby the other party can earn an interest in a property by expending agreed amounts on exploration.

The ultimate recoupment of the carrying value of exploration and evaluation expenditure is dependent upon the discovery, exploitation and development of commercially viable mineral deposits, the generation of sufficient future income there from and/or sale of the interests at an amount at least equal to their carrying values

3. Dividends

The company resolved not to declare any dividends in the period ended 31 December 2003.

YAMARNA GOLDFIELDS LIMITED
NOTES TO AND FORMING PART OF THE HALF YEAR
FINANCIAL REPORT ENDED 31 DECEMBER 2003

4. Segment Information

31 December 2003	Exploration & Mining \$	Investments \$	Consolidated \$
<u>Segment Revenues</u>			
External Customers	-	1,824,079	1,824,079
Intersegment	-	-	-
Total Segment Revenue			1,824,079
Unallocated Segment Revenue			69,171
Consolidated			1,893,250
<u>Segment Result</u>	(16,763)	817,383	800,620
Add Unallocated Revenue			69,171
Add Unallocated Expenses			(436,590)
Consolidated Profit before Income Tax			433,201
Income Tax			-
Consolidated Profit after Income Tax			433,201
<u>Segment Assets</u>	1,941,693	3,221,741	5,163,434
Unallocated Assets			114,521
Consolidated Total Assets			5,277,955
<u>Segment Liabilities</u>	5,000	-	5,000
Unallocated Liabilities			123,001
Consolidated Total Liabilities			128,001

YAMARNA GOLDFIELDS LIMITED
NOTES TO AND FORMING PART OF THE HALF YEAR
FINANCIAL REPORT ENDED 31 DECEMBER 2003

31 December 2002	Exploration & Mining \$	Investments \$	Consolidated \$
<u>Segment Revenues</u>			
External Customers	-	328,764	328,764
Intersegment	-	-	-
Total Segment Revenue			328,764
Unallocated Segment Revenue			455
Consolidated			329,219
<u>Segment Result</u>	(17,383)	(389,814)	(407,197)
Add Unallocated Revenue			455
Add Unallocated Expenses			(333,518)
Consolidated Profit before Income Tax			(740,260)
Income Tax			-
Consolidated Profit after Income Tax			(740,260)
<u>Segment Assets</u>	1,941,693	3,158,495	5,100,188
Unallocated Assets			138,534
Consolidated Total Assets			5,238,722
<u>Segment Liabilities</u>	7,069	-	7,069
Unallocated Liabilities			267,816
Consolidated Total Liabilities			274,885

5. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

6. Events Subsequent to Reporting Date

On 13 February 2004, the Company announced the following proposal:

- Issue of 68.8 million new shares @ 1.2 cents
- 1:3 rights issue @ 0.8 cents
- Issue of up to 15 million shares to Directors upon shareholder approval.

At report date, the company had issued 68.8 million shares @ 1.2 cents, raising \$825,600.

YAMARNA GOLDFIELDS LIMITED DIRECTORS DECLARATION

The directors of the company declare that:

1. The financial statements and notes of the economic entity, as set out in pages 5 to 10, are in accordance with Corporations Act 2001;
 - a. Comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the economic entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'BF', is written over a light blue rectangular background.

**Director
Bryan Frost**

Dated this 15th day of March 2004



Chartered Accountants
& Business Advisers

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**INDEPENDENT REVIEW REPORT TO THE MEMBERS OF
YAMARNA GOLDFIELDS LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2003**

Scope

We have reviewed the financial report of Yamarna Goldfields Limited and its controlled entities for the half-year ended 31 December 2003, as set out on pages 5 to 11. The financial report includes the consolidated financial statements of the consolidated entity, comprising the company and the entities it controlled at the end of the half-year or from time to time during the half year. The company's directors are responsible for the financial report. We have performed an independent review of the half-year financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the half-year financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission and Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Yamarna Goldfields Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003, and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.


Inherent Uncertainty Regarding Valuation of Mining Tenements

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As disclosed Note 2 of the half yearly financial report, exploration and evaluation expenditure on mining tenements is included in the Consolidated entity at \$1,941,693, in respect of areas of interest in exploration and evaluation phases. The ultimate recovery of the Consolidated entity's capitalised exploration expenditure is dependent upon the discovery, exploitation and development of commercially viable mineral deposits, the generation of sufficient future income therefrom and/or sale of the interests at an amount at least equal to the carrying values of the interests in mining tenements.



Chartered Accountants



D J Garvey
Partner

15 March 2004
Melbourne